

Message Text

CONFIDENTIAL

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43

ACTION SS-25

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R 021722Z MAR 76
FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC 643

C O N F I D E N T I A L EC BRUSSELS 2128

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EXDIS

ONLY FOR ASST SEC HARTMAN AND ASST SEC GREENWALD FROM HINTON

E.O. 11652: GDS
TAGS: EAGR, XG
SUBJECT: EC GRAIN PRICES

REF STATE 48241, EC BRUSSELS 1125

1. TO SAY THAT I AM UPSET BY INSTRUCTIONS CONTAINED REFTEL A
IS TO PUT IT MILDLY. IT IS FOR YOU TO DECIDE WHETHER OR NOT
MY REASONS FOR CONCERN ARE JUSTIFIED. BUT I WANT YOU TO
KNOW THAT I THINK TELEGRAM REPRESENTS FAILURE OF ESSENTIAL
COMMAND AND CONTROL MECHANISMS IN STATE DEPARTMENT. MY PROBLEMS
ARE BOTH PROCEDURAL AND SUBSTANTIVE.

2. ON PROCEDURE, NO ONE HERE BELIEVES WE CAN HOPE TO INFLUENCE
COUNCIL EFFECTIVELY ON IMPORTANT ISSUES WITH LAST MINUTE
DEMARCHES, AT LEAST WHEN UNRELATED TO PREVIOUS PREPARATORY
DISCUSSIONS. ALSO THIS INSTRUCTION VIOLATES JOE'S DOCTRINE
THAT ONE SHOULD GOT GO HARD WITHOUT PRELIMINARY DISCUSSION
WITH COMMISSION AND UNDERSTANDING AROUND CIRCUIT OF FACTS AS
WELL AS REASONS FOR RAISING IMPORTANT SUBJECT WITH MEMBER
STATES DIRECTLY. I ASSUME THERE HAS BEEN NO DECISION BY
WASHINGTON POLICY MECHANISM THAT WE SHOULD RETURN TO FRONTAL
ASSAULT ON CAP WITH ALL THAT RISKS OF CONFIRMING
WORST FRENCH FEARS ABOUT OUR MTN INTENTIONS IN AGRICULTURE.

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I DOUBT THAT CAREFUL THOUGHT WAS GIVEN TO HOW FRENCH AND

OTHERS MIGHT EXPLOIT A SHOTGUN ATTACK BY US ON COMMUNITY GRAIN PRICE POLICY. ALSO I WOULD NOTE THAT ERNIE JOHNSTON AND JOHN MONTEL CONSIDERED SUPPORTING ANALYSIS IN INCOMING TO BE HIGHLY MISLEADING. INDEED, WHEN WE DISCUSSED IT INTERNALLY I WAS IN POSITION OF GOOD SOLDIER HAVING TO TELL RELUCTANT TROOPS THAT THEY HAD TO CARRY OUT THE INSTRUCTION. I DID ADD, HOWEVER, THAT THEY WERE NOT TO USE THE ARGUMENTATION WITHOUT FURTHER CAREFUL ANALYSIS. INDEED, INCOMING ANALYSIS RESEMBLE MORE A POLEMICAL TRACT THAN A NEEDED CAREFUL ECONOMIC DOCUMENTATION OF A CASE. FINALLY, I WOULD NOTE THAT THIS MISSION'S LAST MESSAGE ON THIS SUBJECT (EC BRUSSELS 1125) WAS SENT ALMOST A MONTH AGO FOLLOWING UP SERIES OF MESSAGES THE FIRST OF WHICH WAS SENT DECEMBER 11. IT ASKED FOR BACKGROUND GUIDANCE AND ANALYSIS OF THE MAGNITUDE OF "THE EFFECTS ON OUR TRADE OF THE INCREASE IN EC GRAIN PRICES AND RELATIVE PRICE CHANGES CURRENTLY UNDER DISCUSSION IN THE EC." IT SPECIFICALLY RECOMMENDED AGAINST A DEMARCHE ON SUBJECT. NEVERTHELESS, WITHOUT ANY PREPARATORY DISCUSSION OF WHAT IS INVOLVED OR SOLID ANALYSIS, THE DEPARTMENT'S INSTRUCTIONS CALLED FOR DEMARCHE AROUND OUR EC CIRCUIT.

3. ON SUBSTANCE, I AGREE AND ESSENTIALLY HAVE AGREED FOR OVER 15 YEARS THAT THE KEY VARIABLES IN THE CAP ARE PRICES. WHAT MATTERS MORE IN THE CAP IS NOT THE SO-CALLED LEVEL OF PROTECTION BUT THE EFFECT OF PRICE ON PRODUCTION/CONSUMPTION AND HENCE ON RESIDUAL SUPPLY POSSIBILITIES. NEVERTHELESS, I'M TOLD WE HAVE NOT ARGUED PRICE, AT LEAST WITH THE COMMISSION, FOR THREE YEARS. MOREOVER, MY IMPRESSION IS THAT IT IS US POLICY TO TRY TO MINIMIZE PRICE DISCUSSIONS WHICH COULD LEAD TO OVERLY RIGID COMMODITY AGREEMENT ARRANGEMENTS. SI TGUS KASTEST ACTION NOT ONLY, IN MY VIEW, RISKS BEING INTERPRETED AS A GENERAL ATTACK ON THE CAP BUT LEADS IN A NEGOTIATING SENSE, IF PURSUED, TO A POLICY CONTRARY TO OUR BASIC POLICY POSITIONS ON WORLD GRAIN TRADE. INDEED, ON DAY INSTRUCTIONS ARRIVED, AMB WALKER IN PARIS WAS PUBLICLY DISCLAIMING ANY US INTENT INTERVENE IN INTERNAL CAP WHILE DRAWING ATTENTION TO EXPORT SUBSIDY ASPECTS. IF WE ARE INDEED TO CHANGE OUR APPROACH, LET ME SAY AGAIN THAT WE SHOULD DO SO AFTER MOST CAREFUL CONSIDERATION, FOLLOWED BY A BUILD-UP OF DISCUSSION WITH THE COMMISSION. SWOOSH OUT OF NOWHERE IS, I SUBMIT, THE WRONG WAY TO PROCEED.

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4. IF YOU DISAGREE, I AM CONFIDENT THAT YOU WILL BE AS FORTHRIGHT IN YOUR REPLY TO ME AS I HAVE BEEN IN SETTING FORTH MY VIEWS.

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Message Attributes

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